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Third progress report on the enterprise resource planning project

Report of the Secretary-General

Summary

The present report is submitted pursuant to General Assembly resolution 64/243, in which the Assembly requested the Secretary-General to provide annual updates on the progress of the enterprise resource planning project, Umoja.

Umoja is a Secretariat-wide organizational transformation that will enable high-quality and cost-effective service delivery anywhere in the world in support of the evolving mandates of the United Nations Secretariat. It will renew the way the Organization manages human, financial and material resources; support management reform by enhancing accountability, transparency, and internal controls for all transactions relating to resources; support decision makers by providing the ability to monitor, manage and report on resources used by programmes and operations; support the implementation of International Public Sector Accounting Standards (IPSAS); enable the redirection of resources to high priority and value-added work; and produce a single system that captures accurate and timely core resource data.

Umoja has achieved significant progress since the General Assembly provided initial funding in 2009. It has re-engineered hundreds of existing administrative processes across the Secretariat. At this time, it is at a critical point as it transitions from the design phase to the build phase. The timeline contained in the second progress report (A/65/389) needs to be adjusted. The implementation of Umoja functionality is now projected for the end of 2015. Delay resulted from several factors, which are described in the present report.

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In order to address delay and accelerate progress, a number of steps were taken. Changes were made to the governance of Umoja to better manage project implementation. The Umoja Steering Committee has adopted a phased approach, which is consistent with the "pilot first" implementation endorsed by the General Assembly in paragraph 113 of its resolution 64/243. It maintains the vision of driving management reform and organizational transformation, but this will occur in phases. The first phase, referred to as Umoja Foundation, will include functionality to support IPSAS requirements. It will pilot in January 2013 and deploy by clusters across the Organization through December 2014. The second phase, referred to as Umoja Extension, to deliver the remaining comprehensive functionality will be deployed by December 2015. However, human resources and budget formulation functions, which are part of Umoja Extension, will be built at the same time as Umoja Foundation, given their importance to the Organization and the urgency for replacing existing processes and systems. The deployment of these two functions will commence in 2014.

The present report gives an account of the issues faced by the project since the last progress report (A/65/389), explains the revised implementation approach and outlines the decisions that are recommended to be taken by the General Assembly.

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I. Introduction

1. Umoja originates in the decision of the General Assembly to replace the Integrated Management Information System with a next generation enterprise resource planning or other comparable system (resolution 60/283, sect. II, para. 4). In its resolution 63/262 (sect. II, para. 2), the Assembly determined that the implementation should aim at consolidating the management of all financial, human and physical resources under a single integrated solution for the entire Organization, including peacekeeping operations and other field missions.

2. As stated in paragraph 2 of the first progress report of the Secretary-General (A/64/380), the raison d'être and primary benefit of Umoja is simple: in this fast-changing world, the United Nations cannot continue to operate and credibly account for itself without a new way of managing its resources. Despite challenges, Umoja remains a once-in-a-generation opportunity to equip the Organization with twenty-first century techniques, tools, training and technology, and to modernize the United Nations service delivery to meet increasing demands under increasing financial pressure.

3. In keeping with the mandates set by the General Assembly, Umoja aims to implement the functionalities of the enterprise resource planning system in ways that will mitigate organizational and managerial risks; ensure adequate preparation and training in a well-planned, step-by-step manner that minimizes the burden of change to the organization and its resources; limit customization of the enterprise resource planning software, in order to ensure cost-effectiveness as well as flexibility in upgrading to new versions of the software; and support the implementation of International Public Sector Accounting Standards (IPSAS).

4. Umoja will address fundamental risks to the Organization[1] by facilitating a results-based environment that enables enhanced planning, accountability and transparency.

5. In its resolution 64/243 (para. 113), the General Assembly authorized the Secretary-General's "pilot first" option for the project. In December 2010, the General Assembly, in its resolution 65/259, sect. II, paragraphs 3 and 4, endorsed the second progress report of the Secretary-General (A/65/389), while requesting that efforts continue to be made to run the project on the basis of lower cost options and urging the Secretary-General to fill vacancies as a matter of priority.

6. Since the last report, Umoja has made considerable progress towards realizing its mandate; however, as is common to projects of this magnitude and complexity, Umoja has also experienced some difficulties. This report provides a project update and outlines the decisions that are recommended to be taken by the General Assembly.

[1] In its report on the activities of the Office of Internal Oversight Services (OIOS) for the period from 1 July 2009 to 30 June 2010 (A/65/271 (Part I)), OIOS stated that "findings are classified in seven risk categories: strategy; governance; compliance; financial; operational; human resources; and information resources... Common to them all is the fact that, unless acted upon, they could have an adverse impact on the mandate, operations or reputation of the department/office in question or of the Organization as a whole."

II. Status

7. Umoja is at a critical point as it transitions from the design phase to the build phase. According to the timeline contained in the second progress report, Umoja planned to be fully deployed by December 2013. Full deployment is now projected for the end of 2015.

8. The delay resulted from several factors. First, procurement of the enterprise resource planning software[2] took significantly longer than expected owing to complex and long negotiations. Second, a wide-scale analysis of current operations was needed in order to transition the Organization from its outmoded systems and working processes to the future operating model. This cultural and institutional change proved more complex and challenging than anticipated. Third, Umoja and its user community realized that the strength and capacity of the enterprise resource planning software would enable far more comprehensive functionality than was originally anticipated. That led to additional time spent in the design phase. Fourth, more time was spent than originally planned in engaging, educating and gaining acceptance from the Organization's business process owners and end-user communities about the new business processes. Fifth, despite the implementation of measures to expedite recruitment, the hiring of United Nations staff members and subject matter experts remains time-consuming, and securing independent consultants with the appropriate expertise continues to pose challenges. Sixth, the limited availability of specialist knowledge of new enterprise resource planning software has constrained the capacity of the design team.

9. Together, these factors have necessitated a recalibration of the timeline. The Steering Committee has approved a phased approach to implementation. The first phase, "Umoja Foundation", includes functionality that supports critical business operations and IPSAS requirements,[3] while the second phase, "Umoja Extension" will complete the Umoja vision. This approach will enable the Organization to mitigate delay, absorb change at a tolerable rate, and address some of the risks associated with deploying a comprehensive solution. The phased approach is detailed in section IV of this report.

10. The Umoja governance structure, which was initially presented in the report of the Secretary-General on enterprise systems for the United Nations Secretariat worldwide (A/62/510/Rev.1), was updated and incorporated into the report of the Advisory Committee on Administrative and Budgetary Questions on information and communications technology (A/63/487 and Corr.1 and 2, annex VI). In 2010, the structure was revised to reflect the evolution of its composition, structure and nomenclature, and presented to the General Assembly in annex III of the second progress report (A/65/389).

11. Following the resignation of the Under-Secretary-General for Management as Chair of the Umoja Steering Committee on 16 June 2011, changes were made to the

[2] The request for proposal for enterprise resource planning software was issued in February 2008. A leading enterprise resource planning software was selected through a competitive process in September 2008, and the formal award to the software vendor was made in December 2008. Negotiations with the software vendor took significantly longer than expected. The contract was signed in June 2010.

[3] In resolution 65/259, sect. II, para. 8, the Assembly requested the Secretary-General to ensure that the implementation of IPSAS be completed no later than 2014.

Umoja governance structure to accelerate progress at this critical juncture of the project and to ensure full accountability and clear lines of responsibility. As shown in the governance structure contained in annex I[4] to this report, the Deputy Secretary-General now serves as Chair ad interim of the Umoja Steering Committee; the Chef de Cabinet is a new member of the Committee, as are the Office of Legal Affairs and the Office of Internal Oversight Services, in an observer capacity. Furthermore, the Assistant Secretary-General, Chief Information Technology Officer, guides the management of Umoja, on behalf of the Steering Committee.

12. During the last reporting period, the Steering Committee took a number of decisions, which are described in this report, including measures to help expedite recruitment and the initiation of lessons learned exercises with other entities in the United Nations system that have implemented similar systems. The Committee has endorsed the proposal on Umoja's revised implementation approach and its new governance structure, timeline and budget, and will continue to closely monitor progress.

13. Since the last progress report, the Management Committee has also increased its monitoring of Umoja progress, especially with regard to the interdependencies of the Umoja and IPSAS implementation strategies. The Management Committee monitors progress by reviewing quarterly updates from Umoja and IPSAS. Increased involvement of high-level management is a key element of the Umoja risk management strategy and a critical success factor.

14. The Business Owners Advisory Group will evolve with the Umoja transition to build and deployment. A core group of business owners will provide advice to Umoja in relation to their area(s) of responsibility. The core membership will be supplemented by temporary members, based on project priorities. For example, individuals who hold key managerial roles within the deployment clusters may be engaged in the advisory group ahead of roll-out to their duty stations. The Process Owners Advisory Group, reflected in annex III of the second progress report (A/65/389), is being phased out as Umoja moves away from process design into an integrated build and deployment phase.

15. In order to monitor, control and document project changes, a Change Advisory Board has been established; it is composed of a subset of business owners and it will be chaired on a rotating basis. The Umoja Director will serve as Secretary to the Board. In reviewing change requests, the Board will consult as necessary with the stakeholder community. To support it, an internal review body within the Umoja Service Delivery Office will review technical changes that do not materially impact scope, timeline and budgets. Any changes that do impact project scope, timeline, budget or deliverables, or other changes that cannot be resolved internally, will be escalated to the Board. Recommendations of the Board will be submitted to the Steering Committee for approval.

[4] Annex I of this report depicts interim arrangements; an update will be presented to the General Assembly in the next annual report, together with any proposals that require the approval of the General Assembly in this regard.

III. Progress

16. Umoja achieved significant progress over the reporting period. It moved into its final design phase in the summer of 2010, and to date, 317 "to-be" business processes have been developed, reflecting the requirements of the Organization. Umoja has also begun preparation for the build phase through the development of an enterprise resource planning software configuration strategy and concepts, tested processes in enterprise resource planning software, and completed the design of the enterprise structure (the core configuration foundation of the system). A baseline configuration, together with a "proof of concept" demonstration, is also being developed to limit the risk of slippage from the build phase back to re-design work (a common design-to-build transition risk).

17. Umoja continued to analyse the enterprise resource planning systems used by other United Nations organizations, in particular that of the World Food Programme (WFP), worked with the IPSAS project, the Department of Management, the Department of Field Support and others in analysing rules, regulations and policies that will need updating to support the new business processes Umoja will deliver. The database of all existing information systems for possible replacement or integration with Umoja has been created and is under analysis.

A. Design finalization

18. Over the past year, Umoja has focused on the finalization of the documentation, prototyping and refinement of the design of the "to-be" processes, within the areas of finance, human resources, central support services, supply chain procurement logistics, and programme and project management. The design serves as the blueprint for the new operating model.

19. Umoja also completed the enterprise structure of the enterprise resource planning system. The enterprise structure reflects the basic building blocks of the Organization and determines how business transactions will be executed and reports generated. The enterprise structure also provides the platform for the integration of all business processes. For example, enterprise resource planning software will support the requirements of the Organization for the production of financial statements using different reporting periods for peacekeeping and regular budgets;[5] this capability will be part of the scope of Umoja Foundation.

20. The work on enterprise structure marks significant progress in the development of the enterprise resource planning system. It has greatly increased the level of enterprise resource planning software knowledge and experience among Umoja staff and subject matter experts. The new skill sets developed will accelerate the pace of progress on software configuration.

[5] In paragraph 44 of the second progress report (A/65/389), the possibility was raised that it may be necessary to build an extension to cope with the United Nations dual budgetary cycles. A solution that does not require a custom-built extension has been developed through extensive prototyping and analysis. See para. 31 of the present report.

B. Change management

21. Design sessions and review sessions were held for subject matter experts and other staff involved in reviewing business processes. Information sessions were held to increase staff awareness about Umoja and its impact. Attendance at these events amounted to approximately 5,580 days of staff participation. Secretariat staff from offices away from headquarters accounted for 52 per cent of participation. Table 1 provides a breakdown of Umoja events since July 2010.

Table 1

Umoja events since the second progress report, July 2010-July 2011 (numbers do not include Umoja team members)

Event type	*Description*	*Sessions held*	*Unique participants*
Design session	Sessions focused on re-engineering United Nations processes into improved future processes	19	131
Review session	Sessions focused on reviewing the proposed solutions with key stakeholders	139	348
Information session	General outreach sessions designed to educate stakeholders about Umoja	60	662
Intergovernmental	General outreach sessions (formal and informal) designed to inform Member States about Umoja	35	74

22. A number of these events included senior-level meetings and working group sessions conducted by other departments, including the Department of Field Support, the Department of Management (Office of Human Resources Management, Office of Central Support Services, and Office of Programme Planning, Budgets and Accounts) and the Office of Information and Communications Technology. For example, Umoja Finance, along with representatives from the IPSAS Project, facilitated sessions at the 2011 Chief Financial Officers workshop on a variety of topics, including fixed assets, inventory management and real estate management. The event increased understanding of IPSAS-Umoja interdependencies.

Review and acceptance

23. Subject matter experts and other designated staff throughout the Secretariat participated in the review and design of the new business processes. Since the last progress report, 229 of the "to-be" processes were released for acceptance by the business owners. Over half (143) have been accepted, and the process continues. This acceptance rate demonstrates significant progress in developing the enterprise resource planning system. It shows the level of participation and receptiveness on the part of the business owners, and the strength and viability of the proposed processes.

24. However, the process of acceptance has been time-consuming, given the need to engage extensively with business owners. Insufficient numbers of Umoja staff in key areas have hampered the timely completion of design deliverables for some processes. Gaps in external expertise have slowed progress of certain design elements that are fundamental to an integrated and coherent solution, particularly in the area of finance. The business owners are understandably reluctant to review

processes in isolation, requiring Umoja to present "end-to-end" packages of cross-functional processes. Dependencies on work not yet completed have further complicated Umoja efforts to secure the acceptance of completed work by the business owners.

Communications

25. In the past year, Umoja strengthened its efforts to increase staff awareness about the project through a range of communications tools. Umoja also encouraged staff to register on Umoja NET, an online portal that contains extensive project information, including details about the re-designed business process. As a result of outreach efforts, over 1,300 staff members became new members of Umoja NET between August 2010 and July 2011. As at July 2011, Umoja NET had over 2,700 members.

Training

26. Umoja has advanced the development of a comprehensive and cost-effective global learning plan to support end-users. The training approach will blend traditional instructor-led classroom learning and e-learning approaches. Training courses will be modular, role-based and reusable and will address the needs of each stakeholder group.

27. In the biennium 2012-2013, the Umoja team will increase training in enterprise resource planning software.[6] This is vital as the project moves into the build phase, when increased levels of functional and technical expertise will be needed. A procurement exercise is under way to contract professional training services for this purpose.

C. Update on existing systems, interfaces, customizations, extensions and general technical activities[7]

Existing systems, interfaces, customizations, extensions

28. The process of analysis and inventory of the systems that could be replaced by Umoja continues in close coordination with the Office of Information and Communications Technology. Umoja provides all system-related information for inclusion in the application portfolio management (ePortfolio) tool of the Office of Information and Communications Technology that catalogues all Secretariat information systems. Approximately 700 systems will be replaced by Umoja, and up to 300 of the remaining systems may require a technical interface to Umoja. Despite the large number of systems, integration will be implemented through a smaller number of common technical interfaces. The decommissioning of legacy systems and the creation of technical interfaces will be aligned with the phased deployment

[6] Since 2010 over 30 technical and enterprise resource planning software training sessions have been undertaken by Umoja staff and subject matter experts.

[7] This section responds to the recommendations of the Advisory Committee on Administrative and Budgetary Questions contained in its report on information and communications technology (A/65/576, paras. 29-36), which were endorsed by the General Assembly in its resolution 65/259.

of Umoja along geographical and functional lines. Umoja maintains an up-to-date inventory of these systems and interfaces.

29. Umoja and Inspira will interface across five dimensions: external recruiting, internal recruiting, performance management learning management and position management. In terms of recruiting, Inspira will serve as the talent management system, facilitating decision-making and tracking processes. After staff are selected through Inspira, this information will be sent to Umoja, where all related financial transactions and organizational assignments (payroll, benefits, entitlements, travel, asset assignments and post incumbency) will be processed. Similarly, for performance management, the development planning and evaluation processes are performed in Inspira, and the evaluation results will be moved into Umoja to support the execution of step increments, contract extensions and other performance-related actions. As the learning management and position management modules of Inspira are yet to be deployed, the details of related Umoja/Inspira interfaces are still being analysed.

30. Umoja will interface with Galileo, the system used for inventory management in peacekeeping missions. Umoja and Galileo staff are collaborating to determine how to best utilize enterprise resource planning software and Galileo. Initial analysis reveals there is a requirement in field missions for the two systems to coexist during the deployment of the Umoja Foundation; in this scenario, inventory will be maintained in Galileo and financial record-keeping will be managed in enterprise resource planning software. Contingency plans are being developed to manage risks associated with incomplete recording of assets that might occur during the initial deployment phase. These include the invocation of transitional provisions for certain asset types, and the adaptation of existing systems to record assets as required for IPSAS reporting.

31. Umoja is also working with the knowledge management team of the Office of Information and Communications Technology to determine how Documentum, the Organization's standard document/records management system, will interface with Umoja to capture relevant documents associated with resource management policies, processes and transactions.

32. Further analysis of requirements has reinforced the position that no essential customizations (i.e., changes to Umoja's core software code that would impact upgrades and maintenance) are required, as expressed in the second annual progress report. Moreover, the two anticipated major extensions[8] referred to in the second progress report will not be required. In paragraph 44 of the second progress report, the Secretary-General reported on two potentially significant extensions that were thought to be required at the time: (a) a parallel ledger, to cope with the United Nations dual budgetary cycles; and (b) a solution to the United Nations requirements in material tracking. At this time, however, the plan is to accommodate these functions using minor extensions that use the software provider's standard framework. This approach adheres to the software provider's best practices and does not impact upgrades.

[8] An enterprise resource planning solution can be supplemented with external programmes referred to as extensions. They provide additional functions to those in the core software, to which they "plug in" without changing it. They do not impact software upgrades and are far less expensive to maintain than customizations, which do change the core software.

General technical activities

33. Key enterprise resource planning technical activities include the following: the implementation of enterprise resource planning infrastructure (including servers, hosting, connectivity, disaster recovery and stress testing); managing and supporting enterprise resource planning environments (sandbox, development, quality assurance and production); implementation of conversions and interfaces; data archiving; and decommissioning of systems.

34. Umoja is addressing infrastructure implementation with the Office of Information and Communications Technology. A management structure is being established for the execution of this process and the support of enterprise resource planning development and production environments. Umoja will be hosted at the enterprise data centres (at the United Nations Logistics Base in Brindisi, Italy, and the United Nations Support Base in Valencia, Spain). Conversions, interfaces, data archiving and decommissioning are being addressed bilaterally with application owners across the Organization, including the Office of Information and Communications Technology, offices away from Headquarters, regional commissions and field missions.

35. Costs related to the activities mentioned in this section regarding existing information technology applications are included in the overall project costs.

IV. The way forward

A. Revised implementation approach

36. In May 2011, the Umoja implementation approach was revised in order to mitigate the delay and accelerate progress, while supporting the mandate to implement IPSAS by 2014.

37. The new approach is consistent with the "pilot first" implementation endorsed by the General Assembly in its resolution 64/243 (para. 113). It maintains the original Umoja vision of driving administrative reform and organizational transformation, but its implementation will be conducted in phases. Rather than release a comprehensive application as originally envisioned, the plan is to deploy phase 1, Umoja Foundation, with a subsequent release of phase 2, Umoja Extension. Umoja Foundation will be fully deployed by December 2014, beginning with a pilot in January 2013. Human resources and budget formulation functionality, which is part of Umoja Extension, will be designed and built at the same time as Umoja Foundation but will commence deployment in 2014. The design phase for the rest of Umoja Extension will recommence in 2013 and move into the build phase in 2014, with deployment planned for completion by the end of 2015.

38. The revised approach will ensure that the Organization is not subjected to an immediate overhaul of all core business functions. It should be noted that Umoja deployments will not occur in the final quarter of either regular budget or support account financial periods, in order to facilitate the production of financial statements.

39. From a change management perspective, there are advantages to adopting a phased approach for deployment. When stakeholders experience the value of Umoja,

they will be more likely to support ongoing refinements and feel part of the process in implementing future phases. A gradual introduction to new ways of working will facilitate organizational acceptance. As people become more comfortable with the new system, they will be less resistant to retire legacy systems. A phased approach enables Umoja to strengthen its training programmes by incorporating lessons learned from the first deployment. Moreover, a phased approach will enable greater managerial control over deployment and reduce risk in the event of system failure, since a smaller population would be affected.

B. Umoja Foundation

40. Umoja Foundation is intended to commence with a pilot in January 2013. Following the pilot, it will be implemented in five successive clusters across the global Secretariat in time to support requirements for IPSAS compliance by 2014.[9] The criteria for selection and timing of deployment sites will be guided by training needs, volume of transactions, business readiness and location.

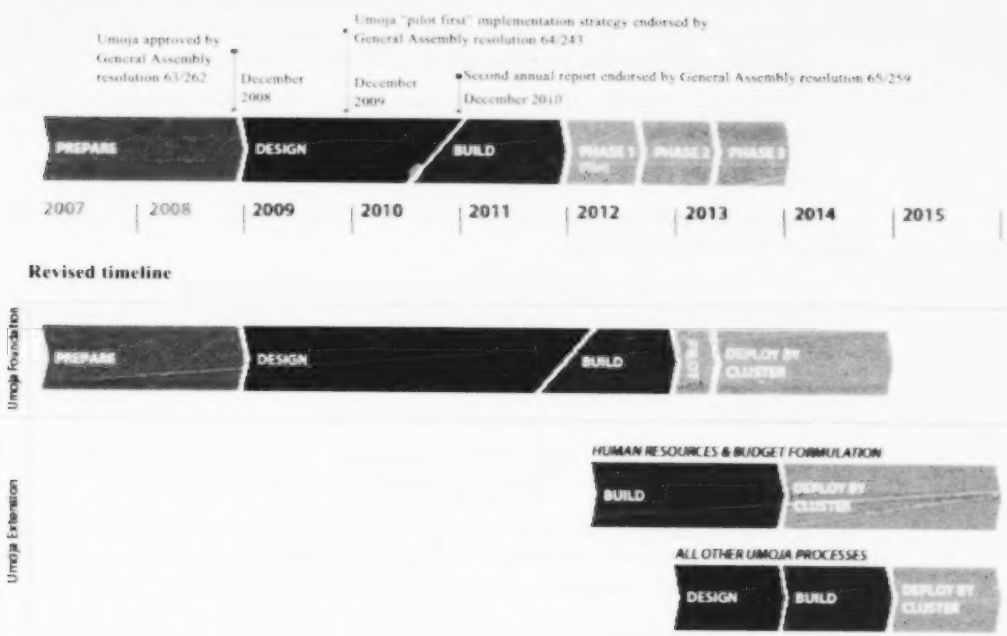
C. Scope and timeline

41. The scope of Umoja Foundation includes processes that are essential to support IPSAS requirements. In total, 119 processes have been selected for inclusion. Although considerably narrower than the scope of 317 processes that will ultimately deliver the full business transformation of Umoja, Umoja Foundation will lay the core building blocks. Its scope includes finance processes; procurement of goods and services; travel; and assets, inventory and property management.

42. The graphic below depicts the current timeline and the phased approach for going forward.

[9] This will be made possible through a combination of enterprise resource planning software, legacy systems and manual workarounds.

Figure
Timeline from second annual report (A/65/389)



43. The review of Umoja Foundation design is now being completed and preparations for the build phase have commenced.

44. The high-level timeline shows the distinction between the preparation, design, build and deployment stages of the project. A more detailed timeline depicting milestones, targets and dependencies is attached in annex II.

45. As Umoja enters the build stage for Umoja Foundation, control over the changes to the scope and the processes must be managed tightly to avoid future delays. To mitigate risks during this period, Umoja will institute change control mechanisms responsible for reviewing and approving changes, additions and deletions to the Umoja Foundation scope.

46. Umoja Foundation will include the following functionality:

(a) **Finance**

Umoja Foundation scope will deliver a sound financial management and administrative control system through the following:

(i) A new general ledger will enable IPSAS compliance, and will support the automation of consolidated financial statements;

(ii) Umoja will facilitate the introduction of tools for sound cost and management accounting practices;

(iii) In the area of treasury, the finance solution will cover aspects of cash management, cash flow forecasting and optimization of currency balances;

(iv) Umoja will be able to generate reports that automate the preparation of IPSAS-compliant consolidated financial statements and provide real-time reporting, flexible data analysis and decision support systems;

(v) It will enable efficient workload management and compliance with internal controls;

(b) **Supply chain procurement logistics**

Umoja Foundation will include the following supply chain procurement logistics functions in its scope:

(i) Procurement of goods and services: requisitioning, solicitation of bids, contract management, supplier evaluation and maintenance of master data relating to vendors, materials, services and equipment;

(ii) Receiving and distribution of inventory, physical verification of inventory;

(iii) Lifecycle and work-order management to support property and equipment operations, including equipment and building maintenance;

Certain existing supply chain systems such as Galileo will be retained for inventory and property, plant and equipment management, with an interface to Umoja Foundation, until full functionality is provided in Umoja Extension;

(c) **Central support services**

The Umoja Foundation central support services scope covers sales and distribution, travel management and real estate management as follows:

(i) Sales and distribution has been scaled down to support financial transactions: (i) work-order management with regard to cost recovery, cost recovery plus, external billing, or charging any agency outside of the Umoja Foundation scope with regard to goods provided or services rendered; (ii) stock transport order between Umoja and other United Nations entities; and (iii) third party procurement;

(ii) Travel management includes processing of travel requests, approval/certification, booking and settlement;

(iii) The real estate management solution supports facilities managers in maintaining an environment that will promote a safe, healthy and productive work environment, and encompass environmentally sustainable systems and practices. The real estate solution enables the Organization to capture information about its property portfolio and the management of leases.

Umoja Extension

47. Key elements of the Umoja solution that will be deployed in phase 2 include human resources, budget formulation, force planning, demand planning and logistics execution; conference and events management; documents production and distribution; grants management; and sales and services to the public. It should be noted that, while Umoja Foundation will deliver IPSAS-compliant capability and

improve financial management, Umoja Extension will deliver the capability to significantly enhance planning and resource management. In particular, human resources and budget formulation functions will be built at the same time as Umoja Foundation, given the critical nature of these functions in the Organization and the urgency for replacing existing processes and systems. The scope of these two functions are as follows:

(a) **Human resources**

The scope of the human resources functions includes:

(i) Organizational management and position management to define and capture how the organization is structured and staffed; it is also used to create, extend, loan, block and abolish posts and positions;

(ii) Personnel administration which constitutes the central repository of all personnel-related data and provides the basis for other functions; this function also includes personnel actions covering on-boarding, core master data management, contract management, movements and separation;

(iii) Entitlements management supports the processing and the calculation of specific entitlements for United Nations staff members as well as human resources travel entitlements;

(iv) Benefits management to administer employee benefits for active staff members and for former staff (after-service insurance);

(v) Time management to manage and monitor timekeeping and leave for staff members and non-staff such as United Nations military observers and United Nations police officers;

(vi) Payroll functionality to process the monthly, off cycle and end-of-service payroll of staff members of all categories in all locations. It covers the calculation of the payroll amounts, the payroll simulations, the disbursements and the payroll accounting;

(vii) The self-service portal will enable staff members and managers to access and update some personal data and to submit requests, forms and claims on line;

(b) **Budget formulation**

Budget formulation functions will enable monitoring and control of the budget preparation process using guidelines, timelines, milestones, and tools for enhanced reporting. The solution covers the full life-cycle from central budget planning through the collection of business requirements and ends with legislative approval.

D. Benefits realization

48. The primary benefit of Umoja remains its role in reinforcing the United Nations continued operability, accountability and credibility, as stated in the first progress report (A/64/380).

49. Umoja is still expected to produce qualitative benefits that include increased operational effectiveness and timeliness, improved accountability, adoption of international best practices and standards, enhanced transparency, higher client

satisfaction, and better internal controls across the broad range of financial, procurement and staffing processes.

50. The overall quantitative benefits that Umoja identified in the first and second progress reports remain. Umoja is re-analysing the benefits case outlined in the second progress report to validate precisely how the revised deployment approach will impact the realization of benefits. Initial results demonstrate that Umoja is projected to deliver anticipated benefits in the range of $139 million to $220 million annually, as a result of the refinement of business processes, significant improvement in the availability and quality of information, reduction in manual effort, and building of staff skills.

E. Lower cost options and collaboration with other United Nations entities

51. The General Assembly has twice underscored its request to the Secretary-General that he make efforts to run Umoja with full consideration of all "lower cost options".[10] This is an ongoing process and every effort continues to be made to contain project costs.

52. The Advisory Committee on Administrative and Budgetary Questions has commented that collaboration with other United Nations system entities on enterprise resource planning could be "a long-term option for lowering ... costs in the future".[11] Over the reporting period, Umoja continued its research of enterprise resource planning solutions at other United Nations system entities, to learn from their experiences and identify best practices. Umoja is initiating a study of approximately 25 United Nations organizations that have implemented enterprise resource planning systems. It will cover the following areas: governance and project management; management of relationships with implementing partners, integration with IPSAS adoption, building and deployment strategies, change management and training, definition of costs of ownership, realization of investments and benefits, audits and other assessments undertaken on their projects; and reporting to stakeholders.

53. The results of the study will inform Umoja on best practices for the build and deploy phases, including options for lowering costs. It is also intended to identify common solutions, procedures and standards across United Nations organizations with a view to lowering costs of enterprise resource planning efforts in the future.

Collaboration with the World Food Programme

54. In the first quarter of 2011, Umoja conducted a "fit-gap analysis" of the WFP's enterprise resource planning solution, which is known as WINGS II. The objective was to see if Umoja could incorporate aspects of WINGS II in order to accelerate progress.

[10] See General Assembly resolution 64/243, para. 113, and General Assembly resolution 65/259, para. 3.

[11] A/65/576, para. 40. The Committee further recommended that all developments in this area continue to be reported on in progress reports, which was endorsed by the General Assembly in its resolution 65/259.

55. The fit-gap analysis was a knowledge-sharing exercise that gave the Umoja team a detailed understanding of the capabilities and the limitations of the WFP system. The scope of the WFP system is much narrower than that of the Secretariat, but Umoja identified aspects of WINGS II that could benefit the project, especially in the areas of finance and human resources.

56. Umoja also found that WFP documentation, training materials and approach to meeting IPSAS requirements would be useful to replicate. The WFP approach to phasing their initial deployment was of particular relevance.

57. Umoja will further examine WINGS II for specific accelerators to the Umoja build process, and is considering how to collaborate with WFP in the future.

F. Further opportunity for benefits: service delivery

58. As reported in the second progress report,[12] a management reform initiative such as Umoja presents an opportunity to consolidate many administrative functions and services. A rationalized and United Nations-appropriate service delivery approach will help reduce duplicative efforts across Secretariat entities and take advantage of economies of scale, thereby expanding the benefits of Umoja. Moreover, an improved service delivery model will shorten Umoja deployment and implementation timelines.

59. In 2010, Umoja conducted a review of service delivery alternatives for the global Secretariat. An assessment of the current operating environment is being undertaken to identify potential benefits and areas of improvement, and develop a detailed business case and implementation plan, the results of which will be reported to the General Assembly in the next progress report. Umoja is working closely with the Department of Field Support to ensure that the operational requirements to support the field are reflected in the Organization-wide service delivery model. The business model for delivering field support services might change over time according to field requirements. The service delivery model must, however, be able to support the model for delivering field support. Extensive consultations across the organization will be undertaken throughout the process of developing a service delivery model suitable for the global Secretariat.

G. Dependencies and contingency plans

60. In order for Umoja to meet its milestones, several critical success factors must be met, such as timely procurement of contractual services for the build phase, completion of ongoing recruitment of staff and subject matter experts with the appropriate skills and expertise, the capacity of the Organization to support the testing, training and other change management initiatives required for successful deployment and complementary progress of the IPSAS project and other related initiatives, such as the Global Field Support Strategy.

61. Umoja and IPSAS are developing contingency plans in the event that dependencies cause delays, which include: (a) using Galileo as an interim staging area for IPSAS-compliant property, plant and equipment functions, and inventory

[12] See A/65/389, sect. II, part C.

data in peacekeeping and special political missions; (b) leveraging an existing Department of Field Support system as a solution for automating notes disclosures, which represent a significant part of the IPSAS-compliant financial statements; (c) continuing to use, temporarily and with some work-arounds, some of the information systems that are currently used for asset management in all departments of the Secretariat and offices other than peacekeeping and special political missions; (d) devising a combination of manual and semi-automated processes to existing systems such as Sun Accounts and the Integrated Management Information System, to record fiscal period end expenditures based on the delivery of goods and services under IPSAS.

H. Human resources: Umoja team

62. As shown in the organizational structure presented in the second progress report (see A/65/389, annex IV), Umoja is made up of 90 staff. Their current and projected recruitment status appears in table 2 below.

Table 2
Umoja status of vacancies

									At 31 August 2011	
Status	*D-2*	*D-1*	*P-5*	*P-4*	*P-3*	*P-2*	*GS (PL)*	*GS (OL)*	*Total*	*Percentage*
Filled										
Regular		7	9	19	9	1	1	7	53	59
Temporary			5	6				3	14	16
Subtotal, filled	—	**7**	**14**	**25**	**9**	**1**	**1**	**10**	**67**	**75**
Under evaluation	1		4	4					9	10
Selected										
Advertised								1	1	1
To be advertised		1	3	8				1	13	14
Approved by central review boards										
Authorized	**1**	**8**	**21**	**37**	**9**	**1**	**1**	**12**	**90**	**100**

Abbreviations: GS, General Service; OL, Other level; PL, Principal level.

63. Despite the intervention of the Umoja Steering Committee to introduce streamlined recruiting procedures[13] and close cooperation and collaboration extended by the Office of Human Resources Management and other concerned parts of the Secretariat, timely recruitment has been problematic. As at July 2011, Umoja

[13] Since December 2010, vacancies at the P-4 and lower levels have been delegated to the Umoja Director. Other streamlined procedures include the limitation of all Umoja posts to temporary service in the Department of Management, which permits shortened advertising periods and a relaxing of the requirement for clearance by the central review bodies. With the assistance of all offices concerned, these measures did expedite recruitment. The average number of months to complete a selection process and onboard a staff member was reduced from 12 months to 7.5 months.

had staffed 67 (75 per cent) of its 90 posts, compared to 46 (58 per cent) out of 80 posts as at 31 August 2010. Umoja continues to examine the skills required of each post to ensure that balance is maintained between the recruitment of business analysts with knowledge and experience of the Secretariat and specialists with knowledge of enterprise resource planning software and implementation.

64. Umoja staff are complemented by subject matter experts, whose contributions range in duration from a few hours to several months at a time. As at July 2011, a total of 19 subject matter experts had been recruited against 66 general temporary assistance funded positions.

65. Umoja has also continued to benefit from the temporary assignment of the Management Support Service of the Office of the Under-Secretary-General for Management. As of July 2011, five of the six temporarily assigned posts are encumbered.

V. Resource requirements and cost containment

A. Overall resource requirements

66. The first progress report on Umoja (A/64/380) provided the resource requirements for the bienniums 2010-2011 and 2012-2013, using the approved $20 million for the biennium 2008-2009 as a baseline. It also presented four implementation options: pilot first, IPSAS first, by function, and traditional. In its resolution 64/243, the General Assembly endorsed the recommendation to follow the "pilot first" strategy, rolling a full Umoja solution out to the entire United Nations in three steps: first to a group of pilot locations, then to the rest of the Organization in two more phases. The resource requirements to implement the "pilot first" option were estimated at $315,792,300, without contingency. A point made in the second progress report bears repeating, namely, that it is common industry practice that a contingency of between 10 and 25 per cent be made available in an enterprise resource planning project.[14] The second progress report on Umoja made no changes to the overall level of resource requirements.

67. It is recalled that, in resolution 63/262, the General Assembly approved resources in the amount of $20 million for the biennium 2008-2009 and endorsed the cost-sharing arrangement for financing of the enterprise resource planning project.[15]

68. Subsequently, in its resolution 64/243, the General Assembly approved $24,192,200 to be funded from the regular budget for the biennium 2010-2011. This included an appropriation of $11,775,900 (further recosted to $11,182,900) under section 28A, Office of the Under-Secretary-General for Management. In the same resolution, the Assembly authorized the Secretary-General to enter into commitment in the amount of $12,416,300. In its resolution 65/259, the General Assembly

[14] See A/65/389, para. 97.

[15] Fifteen per cent from the regular budget; 62 per cent from the support account for peacekeeping operations; and 23 per cent from the special accounts for programme support costs, to which are credited overhead income generated by expenditures relating to technical cooperation and general trust funds, as well as reimbursements for administrative support provided by the Organization to extrabudgetary entities

decided not to appropriate the amount of $12,416,300, in the light of the proposal of the Secretary-General contained in paragraph 18 of his first performance report on the programme budget for the biennium 2010-2011 (A/65/589). In that report, it was proposed to continue to monitor the progress of the project and to report the requirements arising from the commitment authority in the context of the second performance report for the biennium 2010-2011. Based on the latest expenditure status, and given the pace of project implementation, the commitment authority will not be utilized during the 2010-2011 biennium. Instead, requirements are proposed to be phased over future bienniums as set out in paragraph 85 of the present report.

69. In its resolutions 64/243 and 64/271, the General Assembly approved total resources in the amount of $85,549,500 for Umoja from the support account for peacekeeping operations. The amount comprised the authority to enter into commitment in a total amount not to exceed $28,516,500 for the period from 1 July 2009 to 30 June 2010, and an appropriation in the amount of $57,033,000 for the period from 1 July 2010 to 30 June 2011.

70. The funding from extrabudgetary sources for the biennium 2010-2011 amounted to $37,090,100.

71. In its resolution 65/259, the General Assembly took "note that resources in the amount of $18,066,600 (net) would be considered in the context of the proposed programme budget for the biennium 2012-2013". Taking into account the revised projections, an amount of $17,806,300 has been included in the proposed programme budget for the biennium 2012-2013, representing the regular budget share for Umoja (see A/66/6 (Sect. 29A)).

72. By the same resolution, the Assembly took "note that the future remaining requirements in the estimated amount of $47,185,200 (net) will be included in the subsequent requirements for the support account for peacekeeping operations for the financial period from 1 July to 30 June 2012". This requirement was subsequently included in the peacekeeping support account budget for the period 1 July 2011 to 30 June 2012 (A/65/761 and Corr.1-2) and approved by the General Assembly in its resolution 65/290.

73. The Assembly also took "note that the future remaining requirements in the estimated amount of $56,006,500 (net) will be included in subsequent requirements for the support account for peacekeeping operations for the financial periods from 1 July 2012 to 30 June 2013 and 1 July 2013 to 30 June 2014".

Status of resources approved for the Umoja project and utilization

Table 3

Amounts approved and expenditures by biennium

(Thousands of United States dollars)

Sources of funds (approved)	*2008-2009*	*2010-2011*	*Total*
Regular budget	5 110.0	24 192.2[a]	29 302.2
Support account for peacekeeping operations	7 050.0	114 065.9	121 115.9
Extrabudgetary	7 840.0	37 090.1	44 930.1
Total	**20 000.0**	**175 348.2**	**195 348.2**
Expenditure	**17 699.7**[b]	**103 635.8**[c]	**121 335.5**

[a] Includes the amount of $12,416,300 commitment authority authorized under resolution 64/243.

[b] Actual expenditure.

[c] Projected expenditure.

74. As shown in table 4, as at the end of July 2011, a total of $97,463,000 had been expended for the project, including $17,699,700 during the biennium 2008-2009 and $79,763,300 during the 19 months of the biennium 2010-2011. The projected expenditures from August to December 2011 are estimated at $23,872,500, which will bring the cumulative Umoja expenditure since its inception to $121,335,500.

Table 4

Amounts released to Umoja project and expenditures by biennium

(Thousands of United States dollars)

	2008-2009		*2010-2011*				*Total*	
	Allotment	*Expenditure*	*Allotment*	*Expenditure as at 31 July 2011*	*Projected expenditure August-December 2011*	*Projected expenditure*	*Allotment*	*Expenditure 2008-2011*
Object of expenditure	*a*	*b*	*c*	*d*	*e*	*f=(d+e)*	*g=(a+c)*	*h=(b+f)*
Posts			12 334.9	11 614.6	5 048.1	16 662.7	12 334.9	16 662.7
Other staff costs	6 501.1	5 614.0	6 110.1	3 412.7	1 657.7	5 070.4	12 611.2	10 684.4
Consultants and experts	599.5	72.6	2 248.8	578.6	472.3	1 050.9	2 848.3	1 123.5
Travel of staff	1 396.4	964.1	2 265.1	864.3	818.0	1 682.3	3 661.5	2 646.4
Contractual services	7 601.1	7 933.3	49 204.6	35 264.3	12 842.8	48 107.1	56 805.7	56 040.4
General operating expenses	2 655.1	2 344.1	8 795.7	6 572.9	40.6	6 613.5	11 450.8	8 957.6
Supplies and materials	650.9	606.9	149.0	268.9	26.2	295.1	799.9	902.0

	2008-2009		2010-2011				Total	
	Allotment	Expenditure	Allotment	Expenditure as at 31 July 2011	Projected expenditure August-December 2011	Projected expenditure	Allotment	Expenditure 2008-2011
Object of expenditure	a	b	c	d	e	f=(d+e)	g=(a+c)	h=(b+f)
Furniture and equipment	595.9	164.7	27 786.0	21 187.0	2 966.8	24 153.8	28 381.9	24 318.5
Total	**20 000.0**	**17 699.7**	**108 894.2**	**79 763.3**	**23 872.5**	**103 635.8**	**128 894.2**	**121 335.5**

75. Cost variances between the proposed distribution by object of expenditure for the biennium 2010-2011 contained in the second progress report and projected expenditure to 31 December 2011 are primarily owing to:

(a) Delay in recruitment of core staff, subject matter experts and contracting individual consultants;

(b) Projected travel expenditure is lower than the proposed distribution because the pilot deployment and instructor-led training did not occur in 2011;

(c) Contractual services are lower than projected since the build phase was forecasted to begin in 2011 with its associated enterprise resource planning software training. Both have yet to commence;

(d) General operating expenses are lower because the projected cost of rent was based on the standard rate in comparison to actual rent expenditure;

(e) Furniture and equipment are higher owing to the increased cost of software and maintenance of licences compared with the amount forecasted. Consequently, the purchase of hardware has been deferred to 2012.

Table 5
Cost of Umoja Foundation (phase 1) and Umoja Extension (phase 2)
(Thousands of United States dollars)

	2008-2011 Expenditures	2012 Proposed requirements	2013 Proposed requirements	2012-2013 Proposed requirements	2014 Proposed requirements	2015 Proposed requirements	2014-2015 Proposed requirements	Total
Business processes	(a)	(b)	(c)	(d) = (b)+(c)	(e)	(f)	(g) = (e)+(f)	(h) = (a)+(d)+(g)
Umoja Foundation (version 1.0)	45 548.7	43 430.8	23 557.3	66 988.1	15 687.2		15 687.2	128 224.0
Umoja Extension (version 2.0)	75 786.8	24 452.6	25 932.8	50 385.4	26 101.4	35 294.7	61 396.1	187 568.3
Total	**121 335.5**	**67 883.4**	**49 490.1**	**117 373.5**	**41 788.6**	**35 294.7**	**77 083.3**	**315 792.3**

76. Table 5 depicts the projected expenditure and annual cost by phase. Umoja identified 317 business processes; 119 are part of Umoja Foundation and 198 comprise Umoja Extension.

B. Resource requirements for the biennium 2012-2013

77. The overall level of projected expenditure for the biennium 2012-2013 is presented in table 6.

Table 6
Total resource requirements for Umoja implementation: proposed redistribution of resources by object of expenditure
(Thousands of United States dollars)

Object of expenditure	*2008-2013 Existing distribution (A/65/389)* a	*2008-2009 Expenditures* b	*2010-2011 Projected expenditures* c	*2012-2013 Proposed requirements* d	*2014-2015 Proposed requirements* e	*Projected total expenditures* f=(b+c+d+e)	*Change* g=f-a
Posts	56 686.3	—	16 662.7	30 864.1	27 046.1	74 572.9	**17 886.6**
Other staff costs	47 773.2	5 614.0	5 070.4	17 792.7	15 624.7	44 101.8	**(3 671.4)**
Consultants and experts	6 662.4	72.6	1 050.9	3 484.8	3 049.2	7 657.5	**995.1**
Travel of staff	24 582.7	964.1	1 682.3	8 651.9	6 470.9	17 769.2	**(6 813.5)**
Contractual services	121 931.0	7 933.3	48 107.1	34 625.8	19 416.4	110 082.6	**(11 848.4)**
General operating expenses	21 408.8	2 344.1	6 613.5	5 164.7	5 018.5	19 140.8	**(2 268.0)**
Supplies and materials	330.5	606.9	137.7	290.4	237.0	1 272.0	**941.5**
Furniture and equipment	36 417.4	164.7	24 311.2	16 499.1	220.5	41 195.5	**4 778.1**
Total	**315 792.3**	**17 699.7**	**103 635.8**	**117 373.5**	**77 083.3**	**315 792.3**	—

78. The difference between the existing distribution of funds as reflected in the second progress report and the table above is a result of the revised timeline. The revised approach requires increases under posts, consultants, supplies and materials, and furniture and equipment. The decrease in other staff costs is a consequence of having filled 19 of the budgeted 66 subject matter expert positions in the biennium 2010-2011. Travel expenses for the "cluster" training approach are lower compared to the previous forecast, which envisioned travel to each duty station. Contractual services also reflect a reduction, since the build vendor was not in place in the biennium 2010-2011. Further, the majority of systems integrator personnel for the build stage are projected to be offshore, thereby decreasing general operating expenses and eliminating the requirement for alteration of premises to accommodate such personnel.

79. The total cost of Umoja for the biennium 2012-2013 is estimated at $117,373,500. The amount of $48,656,800 provides for 90 temporary posts ($30,864,100) and 66 subject matter experts ($17,792,700). Non-post resources amount to $68,716,700, which will cover consultants and experts, travel of staff, contractual services, general operating expenses, supplies and materials, construction, alteration and improvements and furniture and equipment.

80. The explanation for changes in resource requirements for the biennium 2012-2013 as a result of the proposed redistribution of resources is set out below:

(a) Posts: the amount of $30,864,100 would provide for salary and common staff costs for the continuation of 90 posts (1 D-2, 8 D-1, 21 P-5, 37 P-4, 9 P-3, 1 P-2, 1 General Service (Principal level) and 12 General Service (Other level);

(b) Other staff costs: the amount of $17,792,700 would provide for general temporary assistance of 66 subject matter experts, who will contribute to Umoja staff with their professional expertise and skills for completion of the Umoja revised implementation approach. A substantial number of subject matter experts, estimated at 36, will be dedicated to training of end-users as Umoja is deployed. Included in the estimate is a provision of $15,000 for overtime during the peak workload periods of the project. The estimate is based on the average for other offices within the Department of Management;

(c) Consultants and experts: the provision of $3,484,800, comprising fees ($3,196,800) and travel costs ($288,000), is based on an estimate of 288 work months of specialized expertise at an average rate of $11,100 a month and a one time annual travel cost of $12,000 for each of 12 individual consultants. This will provide for consultants where expertise is not available in the Secretariat and whose activities are outside the remit of the systems integrator as follows:

(i) Change management: during the build and deployment phase, external expertise will be required in the areas of content development and technical expertise to support communication and training efforts. Content development will include the creation of learning and communication materials to support deployment. Technical expertise will include the design, development and deployment of online collaborative learning tools;

(ii) Technical consultants: external expertise will be required to augment the contracted build systems integrator in specific technical areas such as mobile technology, report design and implementation, data warehousing and business intelligence;

(iii) Functional consultants: external expertise will be required to augment the contracted build systems integrator in specific functional areas such as travel, central services, field operations, logistics and payroll. Umoja will recruit qualified consultants with the requisite combination of skills and experience in these areas, including experience with other United Nations bodies or public sector entities;

(iv) Management consultants: external expertise will be required to provide independent quality assurance of the activities of the contracted systems integrator;

(d) Travel of staff: it is estimated that the amount of $8,651,900 would be required for travel of Umoja staff to complete the build and deployment of Umoja Foundation in the pilot location and the subsequent clusters. Travel will be undertaken for advance site preparation, including technical support and actual deployment. Requirements include a provision of $4,592,380 to cover travel costs of the Umoja trainers who will deliver a comprehensive training to end-users in the biennium 2012-2013. While efforts continue to be made to use videoconferencing to

the extent possible, it is not optimal for holding end-user training when hands-on, face-to-face interaction is required;

(e) Contractual services:[16] the amount of $34,625,800 would provide for legal and strategic consulting and system integrator services. It would also provide for training of Umoja staff, including subject matter experts on enterprise resource planning software, training of trainers and user training for the deployment of Umoja Foundation. Following is a detailed breakdown:

(i) A provision of $310,000 for legal consulting would be required during the negotiation of contractual terms and conditions in the systems integrator and is based on the information provided by the Office of Legal Affairs, which provides legal support to the Umoja procurement process;

(ii) An amount of $1,979,600 would provide strategic consulting and specialized enterprise resource planning software services to Umoja. Strategic consultants ($1,098,100) would serve as subject matter advisers within the Umoja service delivery office, providing analysis of the system integrator's approach and methodology and advice on the mitigation of project risks. Enterprise resource planning software specialist services ($881,500) would provide support for new software modules;

(iii) An amount of $30,140,600 would provide for system integrator services commencing in early 2012 to build, test and deploy Umoja Foundation. The systems integrator will provide services including project management, functional consulting, infrastructure consulting and the development of enterprise resource planning software workflows, reports, interfaces, conversions, enhancements and forms. The systems integrator will also provide testing methodology and execution, post "go-live" sustainment for three months and planning and execution of knowledge transfer to Umoja staff and the user community. An amount of $2,958,640 is included in the above provision to augment the system integrator with enterprise resource planning software technical resources;

(iv) An amount of $706,800 would provide for enterprise resource planning software training for Umoja staff and the user community;

(v) An amount of $673,800 would provide for the services of the United Nations International Computing Centre in 2012 for the provision of a managed enterprise resource planning software sandbox and development hosting solution in a secure data centre;

(vi) An additional amount of $455,000 would provide an initial six months of production infrastructure support in 2013;

(vii) An amount of $360,000 would provide resources for collaboration with other United Nations system entities in future enterprise resource planning development, including potential ongoing work with WFP;

(f) General operating expenses: resource requirements of $5,164,700 would provide for rental of premises, maintenance and support of the local area network

[16] Funding provided under contractual services for 2012-2013 will include provisions for the build and testing of the human resources and budget formulation solutions.

technical infrastructure and central servers for support of Umoja and rental and maintenance of office automation equipment;

(g) Supplies and materials: the provision of $290,400 would provide for stationery and office supplies, including items such as printer cartridges, data-processing supplies, paper and other miscellaneous supplies. The provision includes an additional requirement of $104,600 for Umoja training materials at the rate of $10 per participant based on the cluster deployment strategy in the biennium 2012-2013;

(h) Acquisition of software licences, furniture and equipment: the resource requirement of $16,499,100 would provide for the following:

(i) Enterprise resource planning software modules and add-ons ($700,000), and maintenance fees ($5,995,100);

(ii) Oracle licences ($512,000) and maintenance fees ($450,500);

(iii) Hewlett-Packard licences ($1,600,000) and maintenance fees ($608,000);

(iv) Testing tools, project collaboration software and ancillary software purchases ($524,000);

(v) Hardware ($6,000,000);

(vi) Provision of $109,500 for the replacement of 64 laptops, which were procured in 2009 and will no longer be covered by the warranty in 2013.

C. 2015-end of project

Table 7
Total actual and projected resource requirements for Umoja implementation
(Thousands of United States dollars)

Object of expenditure	*2008-2009* a	*2010-2011 Existing distribution* b	*2012 Projected expenditure* c	*2013 Projected expenditure* d	*Total 2012-2013 Projected expenditure* e = c + d	*2014 Projected expenditure* f	*2015 Projected expenditure* g	*Total 2014-2015 Projected expenditure* h = f + g	*Project Total* i = a + b + e + h
Posts		16 662.7	15 432.1	15 432.0	30 864.1	15 432.1	11 614.0	27 046.1	74 572.9
Other staff costs	5 614.0	5 070.4	8 896.4	8 896.3	17 792.7	8 896.4	6 728.3	15 624.7	44 101.8
Consultants and experts	72.6	1 050.9	1 742.4	1 742.4	3 484.8	1 742.4	1 306.8	3 049.2	7 657.5
Travel of staff	964.1	1 682.3	3 745.4	4 906.5	8 651.9	2 899.7	3 571.2	6 470.9	17 769.2
Contractual services	7 933.1	48 107.1	22 455.9	12 169.9	34 625.8	10 048.1	9 368.3	19 416.4	110 082.6
General operating expenses	2 344.1	6 613.5	2 655.5	2 509.2	5 164.7	2 509.3	2 509.2	5 018.5	19 140.8
Supplies and materials	606.9	137.7	155.0	135.4	290.4	135.4	101.6	237.0	1 272.0
Furniture and equipment	164.7	24 311.2	12 800.8	3 698.3	16 499.1	125.3	95.2	220.5	41 195.5
Total	**17 699.7**	**103 635.8**	**67 883.5**	**49 490.0**	**117 373.5**	**41 788.7**	**35 294.6**	**77 083.3**	**315 792.3**

Biennium 2014-2015

81. Projected resource requirements for the biennium 2014-2015 are as accurate as possible, based on the elements of the solution deferred to the Umoja Extension build and deployment. These costs will be updated in subsequent progress reports depending on the status of the project at that time, experience gained from the implementation of Umoja Foundation, decisions made based on emerging needs, and additional analysis.

D. Estimated future operating costs

82. In response to the recommendation of the Advisory Committee on Administrative and Budgetary Questions that the Secretary-General should continue to refine estimates for future operating costs as the modalities of the deployment of the enterprise resource planning are determined and other cost factors are clarified,[17] Umoja projects that the estimated costs described in paragraphs 95 and 96 of the second progress report (A/65/389) are still valid. However, in the light of the revised implementation approach, additional analysis to verify and update estimates for future operating costs is now being undertaken.

VI. Summary of resource requirements for the enterprise systems for the United Nations Secretariat worldwide and request for action by the General Assembly

A. Summary of resource requirements

83. The overall level of resources for the implementation of the Umoja project remains unchanged at $315,792,300, to be funded in accordance with the existing cost-sharing formula between the regular budget (15 per cent), the support account for peacekeeping operations (62 per cent) and the extrabudgetary resources (23 per cent).

84. It is also proposed to fund the regular budget portion of the project totalling $17,806,300 under Section 29A, Office of the Under-Secretary-General for Management, as reflected in the proposed programme budget for the biennium 2012-2013 (A/66/6 (Sect. 29A)).

B. Actions to be taken by the General Assembly

85. **The General Assembly is requested:**

(a) **To take note of the progress report in the implementation of the Umoja project presented in the present report;**

(b) **To approve the amount of $17,806,300 (net), as presented under Section 29A of the proposed programme budget for the biennium 2012-2013, Office of the Under-Secretary-General for Management, representing the regular budget share for the Umoja project (A/66/6 (Sect. 29A));**

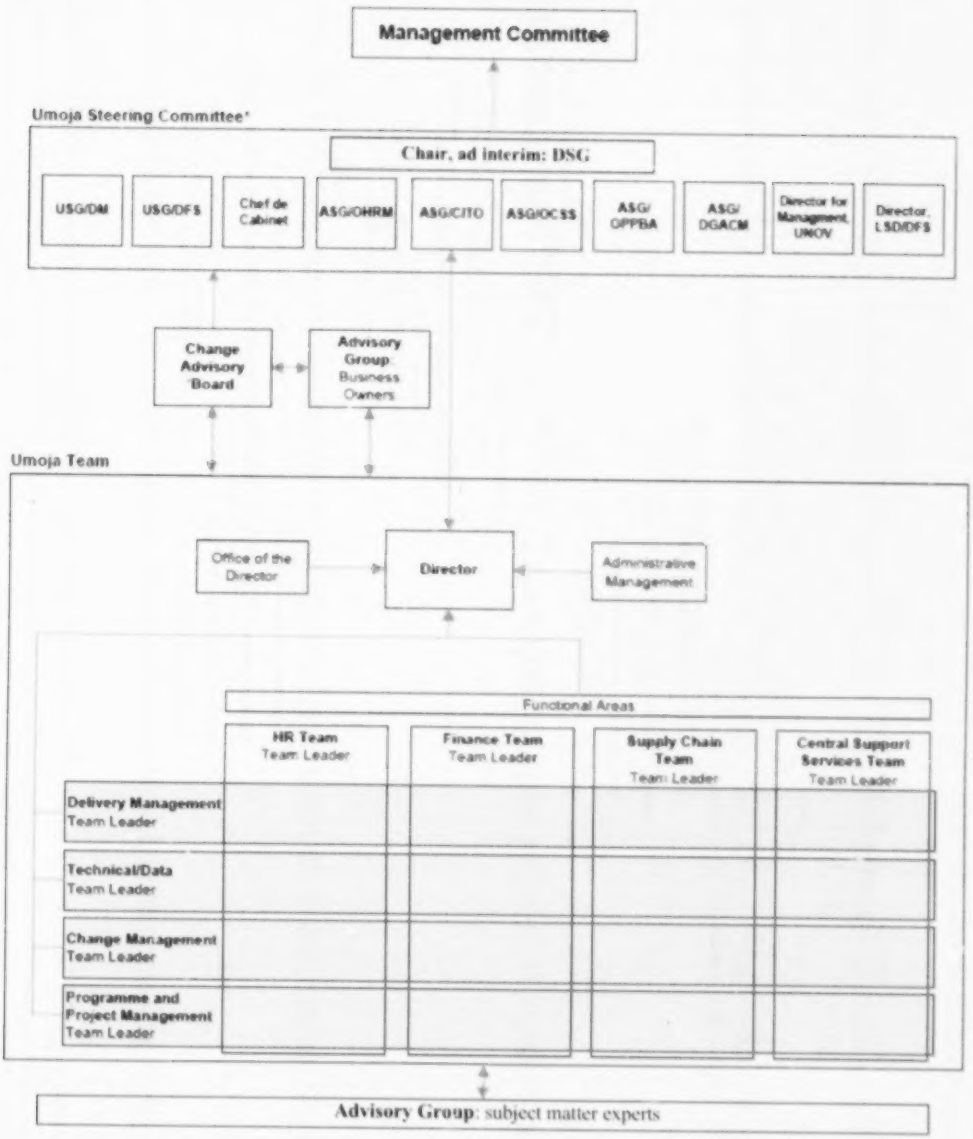
[17] See A/65/576, para. 37.

(c) To note that the requirements for the biennium 2014-2015 in the amount of $13,269,700 (net) will be included in proposed programme budget under Section 29A, Office of the Under-Secretary-General for Management, representing the regular budget share for the Umoja project;

(d) To note that the future remaining requirements in the estimated amount of $56,006,500 (net) will be included in the subsequent requirements for the support account for peacekeeping operations for the financial periods beginning from 1 July 2012.

Annex I

Umoja governance model

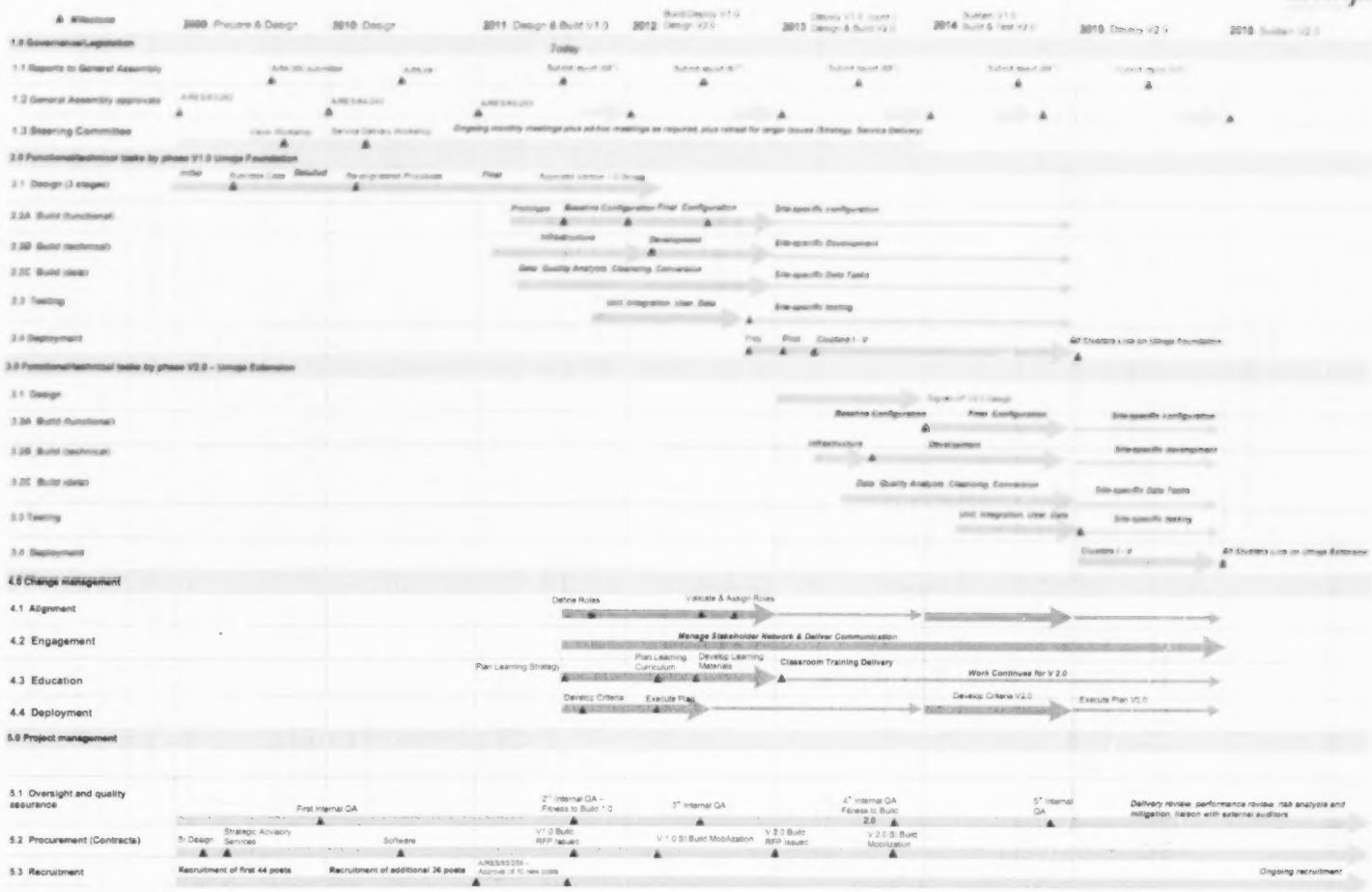


Abbreviations: ASG, Assistant Secretary-General; CITO, Chief Information Technology Officer; DFS, Department of Field Support; DGACM, Department for General Assembly and Conference Management; DM, Department of Management; LSD, Logistics Support Division; OCSS, Office of Central Support Services; OHRM, Office of Human Resources Management; OPPBA, Office of Programme Planning, Budget and Accounts; UNOV, United Nations Office at Vienna; USG, Under-Secretary-General.

* The Office of Legal Affairs and the Office of Internal Oversight Services have observer status.

Annex II

Detailed timeline: revised implementation plan: Umoja Foundation (version 1.0) and Umoja Extension (version 2.0)



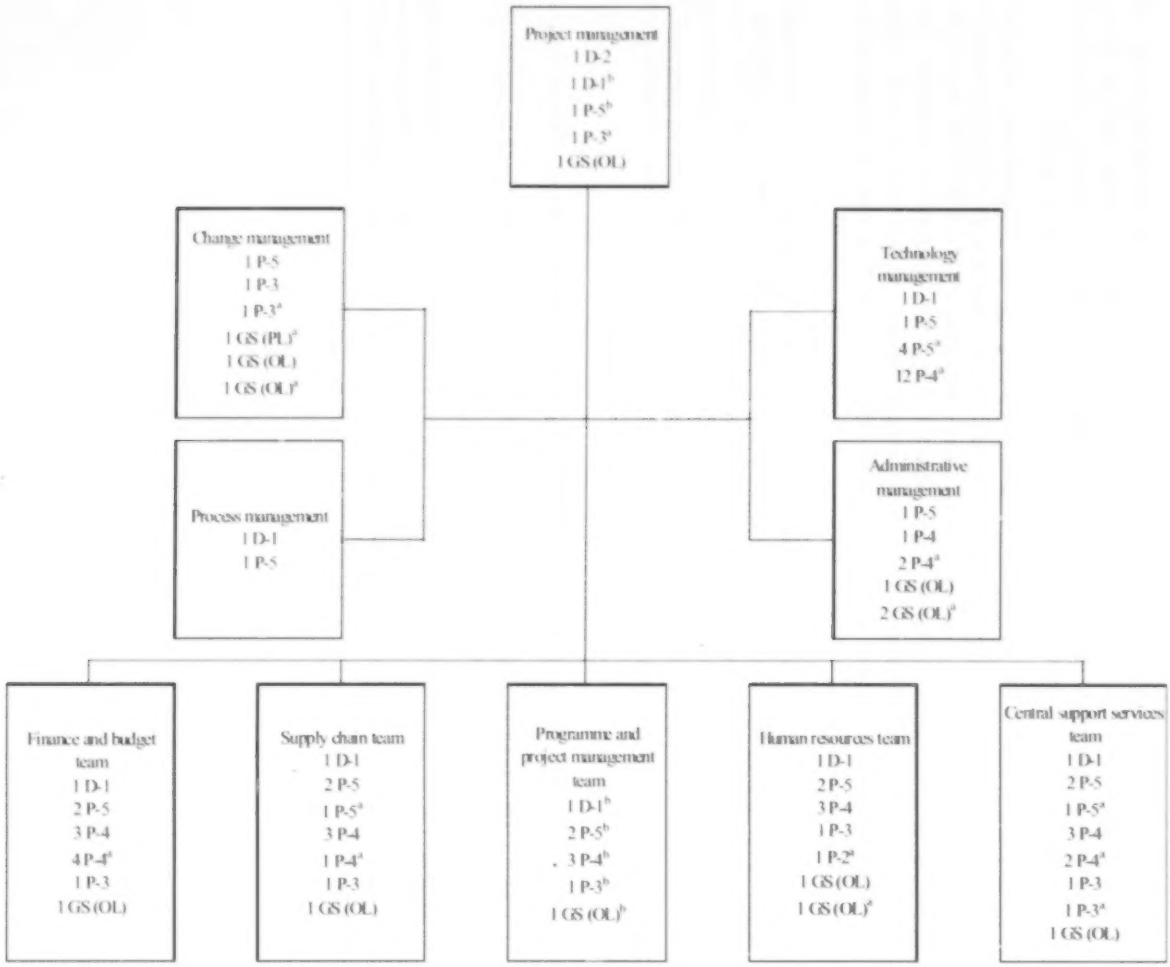
1.0 Governance/Legislation	
1.1 Reports to the General Assembly	Report A/62/510/Rev.1 presented the initial proposal of the Secretary-General; progress reports are submitted annually, starting from the sixty-fourth session.
1.2 General Assembly approvals	Resolution 63/262 approved the governance framework, $20 million seed funding, and creation of a multi-year account. Resolution 64/243 endorsed the "pilot first" deployment option, and requested annual progress reports. Resolution 65/259 endorsed the creation of 10 new posts (through cost-neutral redistribution of resources) for delivery management and the creation of a programme and project management team.
1.3 Steering Committee	Members provide oversight, guidance and support to the Umoja Chair. See Umoja governance model for detail.
2.0 Functional/technical tasks by phase V1.0 (Umoja Foundation)	
2.1 Design (3 stages)	Initial, detailed and final design, during which initial business case is developed; fit-gap analysis is completed; the future solution ("to-be") is thoroughly documented in the form of process and data maps; and the change to the Organization's workflows, roles and responsibilities is measured and documented.
2.2A Build (functional)	Completion of any required prototypes and proofs-of-concept; configuration of enterprise resource planning and related software to meet the design requirements produced above; ongoing support to configuration needed during and after deployment to individual locations. Prototyping and configuration depends on availability of sandbox and development environments.
2.2B Build (technical)	Design, build, and deployment of hardware and network infrastructure required to support the system; coding and customization of enterprise resource planning software and legacy systems to fill gaps between the design and the capabilities of configured enterprise resource planning software, as well as construction of interfaces between enterprise resource planning software and legacy systems; technical support to enhancements and ongoing development during deployment to individual locations.
2.2C Build (data)	Analysis of existing organizational data, including data quality; gathering and cleansing of data; determination and application of transformation rules; load of data into the enterprise resource planning system. Analysis and some cleansing can proceed independently of other activities, but transformation rules, aspects of cleansing, and all load depend on completion of functional design and configuration.

2.3 Testing	Design and execution of specific tests to ensure that: individual configuration and development objects function properly; all system elements, enhancements, and interfaces function properly together; system processes work properly and meet user requirements; all systems and processes function as expected when loaded with real organization data. Ongoing iterations of the above as needed to support system patches, updates, and further post-deployment development. Test plans can begin before infrastructure is completed, but actual testing depends on availability of environments.
2.4 Deployment	The solution will first be deployed to a set of pilot locations, encompassing peacekeeping missions, field support, and non-peacekeeping offices. Deployment will continue in phases, with clusters of offices chosen for geographical and business compatibility, mixing peacekeeping, offices away from Headquarters, and non-peacekeeping locations.
3.0 Functional/technical tasks by phase 1, Umoja Foundation and phase 2, Umoja Extension	
3.1 Design	As noted above in 2.1. Additionally, changes to the design emergent from phase 1 and from available technologies will need to be incorporated. Human resources and budget formulation functionality, which is part of Umoja Extension, will be designed and built at the same time as Umoja Foundation but will commence deployment in 2014.
3.2A Build (functional)	As noted above in 2.2A.
3.2B Build (technical)	As noted above in 2.2B. Also necessary will be deployment of a separate technical environment for phase 2 development activities.
3.2C Build (data)	As noted above in 2.2C.
3.3 Testing	In addition to the steps outlined above in 2.3, the phase 2 systems and development will need to be carefully tested to ensure integration with the phase 1 systems.
3.4 Deployment	Phase 2 will be deployed in a similar fashion to phase 1, although choice of pilot sites and clusters may change depending on circumstance.
4.0 Change management	
4.1 Alignment	Alignment activities include: implementing roles and responsibilities within new processes; assigning new enterprise resource planning software security roles to end-users to determine training requirements and systems access; identifying organizational alignment issues and mitigating negative aspects; assessing and managing readiness. Dependent on: maturity of business process design; completion of unit and integration testing to ensure role lock-down.

4.2 Engagement	Includes accelerating targeted communications activities and events around deploying, refining and further development of the Umoja stakeholder network in order to prepare staff for "go-live"; reinforcing appropriate expectation levels. Dependent on: clarity of mission, timelines and foundation scope; identification of user "Champions" for each deployment site.
4.3 Education	Training and preparation of end-users to implement new systems and processes. Includes development of the training plan, curriculum and course materials; recruiting instructors, followed by delivering training to each deployment cluster, adjusting based on feedback from evaluations, and helping to implement the user support model. Dependent on: maturity of design; clear and finalized scope; completion of system build; classrooms and infrastructure secured; subject matter expert posts for instructors filled; testing complete prior to development of training materials; participants and travel budgets secured.
4.4 Deployment	Covers all aspects of Umoja implementation from end-user/site perspectives; coordinates training, technical cutover and other activities for each site to ensure smooth transition, including implementation of user support structures (e.g., help desk, coaching, etc.), with close follow-up to ensure effective operation and issue resolution. Dependent on: readiness of Umoja Foundation software and successful data conversion; clear understanding of organizational responsibilities prior to deployment; timely and effective administrative processes to support deployment.
5.0 Project management	
5.1 Oversight and quality assurance	Delivery review, performance review, risk analysis and mitigation, liaison with external auditors.
5.2 Procurement	The systems integration services contract was divided in two, corresponding to project phases: (i) design; and (ii) build and implementation.
5.3 Recruitment	Includes recruiting staff (through vacancy announcements and temporary vacancy announcements), independent consultants, and subject matter experts. The total number of staffing positions was increased from 80 to 90 at the sixty-fifth session (see General Assembly resolution 65/259).

Annex III

Organizational structure and post distribution for 2012



Abbreviations: GS, General Service; OL, Other level; PL, Principal level.

[a] Approved at the sixty-fourth session.

[b] Approved at the sixty-fifth session.